DOCUMENT RESUME

ED 166 169 JC 780 532

AUTHOR Koltai, Leslie
TITLE The Budget and Priority Setting Process--Los Angeles Community College District.
PUB DATE 13 Oct 78
NOTE 18p.; Paper presented at the conference, Taxpayer Revolt: Where Do We Go From Here? (Dallas, Texas, October 12-14, 1978)

EDRS PRICE MF-$0.83 HC-$1.67 Plus Postage.
DESCRIPTORS Budgeting; *Budgets; Community Colleges; Educational Finance; Federal Aid; Financial Problems; *Junior Colleges; Operating Expenses; Property Taxes; *Retrenchment; *School District Spending; State Aid; *State School District Relationship; Tax Support; Tuition
IDENTIFIERS *Proposition 13 (California 1978)

ABSTRACT

The nine-college Los Angeles Community College District, which has an enrollment of 135,000 and a payroll of 11,000 and which receives 80% of its operating budget from local property taxes, faced post-Proposition 13 cutbacks of 52% of its non-restricted operating revenue. Three types of alternative budgets based on state funding possibilities were considered: a "major disaster budget" which assumed no monies would be available from the state; a "minor disaster" version based on the premise that the district would receive some surplus money; and a "business as usual budget" predicated on the complete replacement of lost funds. The district received monies from the state which allowed for only a 15% reduction in budget from the previous year. However, because many items are either mandated by the board of trustees, or legal or legislative rulings, 13 out of 42 funding categories were eventually cut by 20% to 50%; one-fourth of these were slashed by more than 50%. Other consequences of these cutbacks included loss of federal matching funds, a movement toward centralization of programs and services and standardization of functions to save on overhead, reassignment of people and equipment, increased district involvement in curriculum planning to coordinate available class offerings on each campus, and increased consideration of creating a tuition system. (MB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED160169

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

Leslie Koltai

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC) AND USERS OF THE ERIC SYSTEM"

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

THE BUDGET AND PRIORITY SETTING PROCESS--

Los Angeles Community College District

Dr. Leslie Koltai

JC780 532

The Taxpayer Revolt: Where Do We Go From Here?

Dallas, Texas

October 13, 1978

Remarks by
Dr. Leslie Koltai, Chancellor
Los Angeles Community College District
Dallas, Texas
October 13, 1978

THE BUDGET AND PRIORITY SETTING PROCESS--
LOS ANGELES COMMUNITY COLLEGE DISTRICT

_____

_____

THANK YOU,_____.

AS I WAS PREPARING MY REMARKS FOR TODAY'S PROGRAM, I WAS REMINDED OF THE DISTELFINK, WHICH I'M TOLD IS AN IMAGINARY BIRD OF PENNSYLVANIA DUTCH LEGEND THAT FLIES WITH ITS HEAD TO THE REAR BECAUSE IT ONLY LIKES TO SEE WHERE IT HAS BEEN. THAT IMAGE IS VERY APPEALING TO THOSE OF US IN THE LOS ANGELES COMMUNITY COLLEGE DISTRICT, BECAUSE WE KNOW THAT TRAUMATIC BUDGET AND PRIORITY-SETTING DECISIONS LIE AHEAD OF US.

BUT, THEN AGAIN, WHEN I CONSIDER THE CHAOTIC CONDITIONS UNDER WHICH WE HAD TO DEVELOP OUR CURRENT BUDGET, IT OCCURS TO ME THAT PERHAPS I'D RATHER LOOK TO THE FUTURE THAN AT THE VERY DIFFICULT MONTHS THROUGH WHICH WE HAVE JUST PASSED.

SOMEONE IN OUR DISTRICT RECENTLY POINTED OUT THAT DEVELOPING THE BUDGET FOR OUR PRESENT FISCAL YEAR WAS A LOT LIKE BEING ASKED TO CONSTRUCT AN ENORMOUS OFFICE BUILDING--

WITHOUT ANY INFORMATION ABOUT HOW MUCH MONEY IS AVAILABLE, WHEN THE FUNDS WILL MATERIALIZE, OR HOW MANY PEOPLE WILL HAVE OFFICES IN THE STRUCTURE.

AT LEAST, THAT'S THE WAY IT FELT WHEN OUR NINE-COLLEGE DISTRICT WAS HIT BY HEAVY BUDGET CUTS UNDER THE REVENUE REDUCTION IMPOSED BY PROPOSITION 13, CALIFORNIA'S PROPERTY TAX LIMITATION INITIATIVE.

AND, SINCE ALL THE CRYSTAL BALLS I'VE SEEN LATELY POINT TO SIMILAR CONDITIONS IN OTHER STATES ACROSS THE COUNTRY, I'D LIKE TO SHARE WITH YOU SOME OF THE CONSIDERATIONS THAT WENT INTO DEVELOPING OUR CURRENT BUDGET -- AND THE LESSONS WE'VE LEARNED THAT WILL AFFECT THE SHAPING OF OUR FUTURE PRIORITIES.

OUR DISTRICT, WHICH HAS AN ENROLLMENT OF ABOUT 135,000 AND A PAYROLL OF NEARLY 11,000, TRADITIONALLY RECEIVES 80 PERCENT OF ITS OPERATING BUDGET FROM LOCALLY-GENERATED PROPERTY TAXES.

BUT, WITH THE TWO-TO-ONE VICTORY OF PROPOSITION 13 ON LAST JUNE'S BALLOT, LOCAL PROPERTY TAX REVENUE THROUGHOUT THE STATE HAS BEEN SLICED BY ABOUT 7 BILLION DOLLARS.

OUR OWN DISTRICT SAW 96 MILLION DOLLARS CHOPPED OUT OF OUR LOCAL TAX INCOME. THIS REPRESENTED A LOSS OF 52 PERCENT OF OUR CURRENT FUND, NON-RESTRICTED OPERATING REVENUE.

AND, WHILE PROPONENTS OF PROPOSITION 13 HAD INSISTED THAT EDUCATION THROUGHOUT THE STATE WOULD NOT BE HAMPERED BY THE INITIATIVE, THE MEASURE MADE NO PROVISIONS FOR REPLACING OUR LOST REVENUE.

BEFORE THE ELECTION, CALIFORNIA'S PUBLIC AGENCIES WERE TOLD NOT TO COUNT ON ANY RELIEF FROM THE STATE'S MASSIVE SURPLUS. IN FACT, WE COULDN'T EVEN GET A CLEAR READING ON HOW MUCH WAS IN THE SURPLUS, SINCE ESTIMATES VARIED BY A BILLION DOLLARS OR MORE FROM WEEK TO WEEK.

BUT THEN, AFTER THE BALLOTS WERE COUNTED, RUMORS BEGAN FLYING ABOUT DISBURSEMENT OF THE SURPLUS, WHICH WAS THEN SAID TO BE ABOUT 7 BILLION DOLLARS.

WHAT FOLLOWED THROUGHOUT THE MONTH OF JUNE, OF COURSE, WAS A MASS PILGRIMAGE OF PUBLIC EMPLOYEES TO THE STATE CAPITAL AS EACH BRANCH OF GOVERNMENT AND EACH SPECIAL INTEREST GROUP SOUGHT THE EAR OF THE GOVERNOR AND THE STATE LEGISLATORS IN ORDER TO APPEAL FOR A CHUNK OF THE SURPLUS.

BECAUSE OUR FISCAL YEAR BEGINS ON JULY 1 -- AND SINCE NO DECISION ON DISBURSAL OF THE SURPLUS WAS EXPECTED UNTIL THE LAST POSSIBLE MOMENT -- WE WERE FORCED TO DRAW UP AN ENTIRE SERIES OF CONTINGENCY BUDGETS TO COVER EVERY POSSIBLE FUNDING EVENTUALITY.

WE PREPARED A "MAJOR DISASTER BUDGET" OF ABOUT 60 MILLION DOLLARS, WHICH ASSUMED THAT NO "BAIL-OUT" MONIES WOULD BE

AVAILABLE FROM THE STATE. THIS BUDGET WAS GEARED TO THE POSSIBILITY OF CLOSING DOWN SOME OR ALL OF OUR NINE COLLEGES. WE PONDERED ESTIMATES ON SECURITY AND STORAGE AS WE CONSIDERED MOTHBALLING FACILITIES THAT WE WOULDN'T BE ABLE TO OPERATE ON THAT SKELETON BUDGET.

OUR SECOND BUDGET, WHICH WE CALLED THE "MINOR DISASTER" VERSION, WAS BASED ON THE PREMISE THAT WE WOULD RECEIVE SOME OF THE SURPLUS MONEY. THIS BUDGET CALLED FOR A REDUCTION OF ABOUT 15 PERCENT FROM OUR PRE-JARVIS 1978-79 BUDGET OF MORE THAN 254 MILLION DOLLARS. THE BUDGET IMPOSED DRAMATIC CUTS IN SOME PROGRAMS AND SERVICES BUT IT ALLOWED FOR MODIFIED CONTINUATION OF MOST OF OUR PROGRAMS.

AND THEN THERE WAS OUR "BUSINESS-AS-USUAL" BUDGET OF ABOUT $260 MILLION WHICH WAS PREDICATED ON THE OPTIMISTIC HOPE THAT THE STATE WOULD COMPLETELY REPLACE THOSE FUNDS LOST FROM LOCAL SOURCES.

THIS LIMBO-LIKE SITUATION IN WHICH WE FOUND OURSELVES DURING OUR BUDGET-PLANNING PERIOD WAS A STRANGE PHENOMENON.

PRIOR TO THE ELECTION, WE HAD IMPOSED A FREEZE ON HIRING AS WELL AS ON PURCHASES OF ALL SUPPLIES AND EQUIPMENT, CONFERENCE ATTENDANCE, AND OTHER SUCH EXPENDITURES -- WITH SPECIAL PROVISIONS FOR EMERGENCIES. THIS AFFECTED BOTH HIGH AND LOW PRIORITY AREAS OF EXPENDITURE BUT, NOT KNOWING WHAT WAS AHEAD, WE HAD LITTLE CHOICE.

ALSO, BECAUSE OF THE ATMOSPHERE OF UNCERTAINTY IN WHICH WE WERE FORCED TO OPERATE, OUR BOARD VOTED TO CANCEL SUMMER SESSION, WHICH SAVED US ABOUT $3 MILLION WHICH WE DECIDED WOULD GO TOWARD PRIORITY PROGRAMS DURING THE REGULAR ACADEMIC YEAR. THE CANCELLATION OF SUMMER CLASSES AFFECTED APPROXIMATELY 37,000 STUDENTS AND 1,000 INSTRUCTORS -- AND IT IS A DECISION WHICH WE PROBABLY WOULD NOT HAVE MADE HAD WE KNOWN THAT WE WOULD END UP RECEIVING APPROXIMATELY 60 MILLION DOLLARS FROM THE SURPLUS.

THAT 60 MILLION DOLLARS ENABLED US TO IMPLEMENT OUR "MINOR DISASTER" BUDGET OF NEARLY 233 MILLION -- WHICH WAS ABOUT 13 MILLION DOLLARS LESS THAN THE PREVIOUS YEAR'S BUDGET.

OUR 1978-79 BUDGET IS IN ACTUALITY 25 MILLION DOLLARS SHORT OF THE PRIOR ONE, HOWEVER, SINCE IT INCLUDES 12 MILLION DOLLARS IN FEDERAL FUNDS WHICH WE USUALLY ADD DURING THE YEAR RATHER THAN INCLUDING IN THE BUDGET TOTAL.

EVEN SO, THIS 15 PERCENT FUNDING REDUCTION DOESN'T SOUND TOO BAD, DOES IT? IT MIGHT EVEN BRING BACK MEMORIES OF THE JARVIS BATTLE CRY OF "ALL WE WANT TO DO IS CUT THE FAT."

THIS FIGURE IS QUITE MISLEADING, HOWEVER. FIFTEEN PERCENT, IF SLICED ACROSS THE BROAD RANGE OF PROGRAMS AND EXPENDITURES, MIGHT BE UNPLEASANT -- BUT NOT REALLY TRAUMATIC.

BUT, SINCE MANY ITEMS IN THE BUDGET ARE EITHER MANDATED

BY THE BOARD OF TRUSTEES, LEGAL OR LEGISLATIVE RULINGS, WE WERE LEFT WITH LIMITED FLEXIBILITY ON THE REMAINING ITEMS. AND THUS THAT 15 PERCENT REDUCTION QUICKLY TRANSLATED INTO CUTS OF UP TO 100 PERCENT FOR SOME PROGRAMS.

IN FACT, OUT OF THE 42 FUNDING CATEGORIES LISTED IN THIS YEAR'S PRE-JARVIS BUDGET, 13 WERE EVENTUALLY CUT BY 20 TO 50 PERCENT. NINE OF THOSE CATERGORIES -- OR ALMOST ONE-FOURTH -- WERE SLASHED BY MORE THAN 50 PERCENT.

IT WAS THEN, AS WE BEGAN WEIGHING CUTBACKS, THAT WE BEGAN DEALING WITH A DANGER TOO OFTEN INHERENT IN A BUDGET REDUCTION CRISIS -- INTER- AND INTRA-DEPARTMENTAL CANNIBALISM.

JUSTICE HAS BEEN CALLED THE EQUITABLE DISTRIBUTION OF DISSATISFACTION BUT WE SOON FOUND VARIOUS GROUPS JOCKEYING FOR POSITION WITH THE DECISION MAKERS. PRIORITIES WERE CONSTANTLY BEING EVALUATED -- AND THEN REEVALUATED. THERE WERE CLASSROOM VERSUS NON-CLASSROOM EXPENSES. INTERCOLLEGIATE ATHLETICS VERSUS THE PURCHASE OF NEW LIBRARY BOOKS. SENIOR CITIZENS' PROGRAMS WEIGHED AGAINST CHILD CARE CENTERS. PROGRAMS FOR THE HANDICAPPED AS OPPOSED TO WOMEN'S CENTERS OR PAY FOR CAFETERIA WORKERS.

AND, EVEN WITHIN DEPARTMENTS, THERE WAS THE PROBLEM OF WHICH CLASSES TO FUND. WOULD A COURSE IN BLACK HISTORY TAKE PRIORITY OVER A CLASS STUDYING THE ROLE OF WOMEN IN OUR SOCIETY?

WOULD WE TEACH CHINESE? WHAT ABOUT RUSSIAN?

SPECIAL INTEREST GROUPS STATED THEIR CASE BEFORE OUR OWN BOARD AND BEFORE THE STATE LEGISLATURE. AND SOME OF THOSE INTEREST GROUPS FOUND A SYMPATHETIC RESPONSE IN SACRAMENTO, SINCE IT WASN'T LONG BEFORE CERTAIN FUNDING STIPULATIONS WERE WRITTEN INTO THE "BAIL-OUT" LEGISLATION, REQUIRING COMPLIANCES IF A DISTRICT WISHED TO RECEIVE SURPLUS FUNDS.

OBVIOUSLY, BUDGET DECISIONS CANNOT BE BASED UPON WHICH GROUPS ARE THE BOLDEST AND THE NOISIEST. BUT CERTAIN GROUPS DID FIND THAT IT CAN'T HURT TO BE QUITE VOCAL AND VISIBLE IN OUTLINING THEIR NEEDS.

IN OTHER WORDS, PHYSICAL FACILITIES CAN'T TALK BACK OR MAKE SPEECHES AT MEETINGS OF THE BOARD OF TRUSTEES TO ARGUE FOR MORE MAINTENANCE MONEY. THEY CAN'T HOLD PRESS CONFERENCES -- THE WAY OUR ATHLETIC COACHES DID -- IN ORDER TO TRY TO SWAY PUBLIC OPINION TOWARD MORE FUNDING.

AND SO IT IS NO COINCIDENCE THAT NON-CLASSROOM EXPENSES -- SUCH AS DEFERRED AND ON-GOING MAINTENANCE OF FACILITIES -- WERE CUT BY AS MUCH AS 60 PERCENT.

SOME OF THE OTHER BUDGET CUTS INCLUDED:

* COMMUNITY SERVICES -- DOWN BY 2.5 MILLION DOLLARS;
* INTERCOLLEGIATE ATHLETICS -- A DECREASE OF 700,000 DOLLARS, AFTER THE COACHES' PRESS CONFERENCE.
* THE BUDGET FOR HOURLY INSTRUCTORS -- CUT BY 2 MILLION DOLLARS;

* NEW AND REPLACEMENT EQUIPMENT -- DOWN 1.1 MILLION DOLLARS;
* FUNDING FOR STUDENT WORKERS -- DECREASED BY 1 MILLION DOLLARS;
* DEAN POSITIONS WERE REDUCED BY 15.2 PERCENT;
* 800,000 DOLLARS -- THE TOTAL BUDGET -- WAS CUT FROM THE OFFICE FOR NEW DIMENSIONS, OUR INNOVATIVE PROGRAM DEVELOPMENT UNIT. OBVIOUSLY, THIS COMPLETELY WIPED OUT NEW DIMENSIONS;
* A FREEZE WAS PLACED ON NON-ESSENTIAL TRAVEL;
* MILEAGE AND MEMBERSHIP EXPENDITURES WERE SEVERELY REDUCED;
* BOOKSTORES, CAFETERIAS, AND COMMUNITY SERVICES PROGRAMS WERE MADE SELF-SUPPORTING;
* DRASTIC CUTS WERE IMPLEMENTED IN THE PURCHASE OF SUPPLIES, INCLUDING NEW LIBRARY BOOKS;
* COUNSELING, CHILD CARE, PLACEMENT AND HEALTH SERVICES WERE SLASHED;
* FUNDS WERE ELIMINATED FOR CO-CURRUCULAR ACTIVITIES, AS WELL AS FOR OVERTIME PAY FOR EMPLOYEES.

THE PROPONENTS OF PROPOSITION 13 SAID THAT ONLY THE FAT WOULD BE CUT, BUT MANY OF THE REDUCTIONS I JUST LISTED SEEM TO ME TO SLICE RIGHT THROUGH TO THE BONE.

AND, UNFORTUNATELY, WE CAN EXPECT EVEN GREATER REDUCTIONS IN THE YEAR -- AND YEARS -- AHEAD AS WE ENTER WHAT IS BOUND TO BE A VERY DIFFICULT PLANNING PERIOD. MOST OBSERVERS AGREE

THAT THE STATE SUPLUS "BAIL-OUT" WAS ONLY A LIFE PRESERVER THROWN TO PUBLIC AGENCIES DURING THE FIRST PORTION OF WHAT WILL UNDOUBTEDLY BE A TRAUMATIC TRANSITION PERIOD OF AT LEAST TWO YEARS.

WE'RE EXPECTING QUITE A BIT OF DISORDER DURING THE SECOND PORTION OF THIS TRANSITION PERIOD, SINCE THERE HASN'T YET BEEN THE TIME TO DEVELOP A LONG-RANGE FINANCING PROGRAM FOR CALIFORNIA'S COMMUNITY COLLEGES. WHAT WILL HAPPEN? MOST OF US WILL BE FORCED TO FALL BACK ON ANOTHER SHORT-RANGE PLAN IN ORDER TO TRY TO BUY ENOUGH TIME TO WORK OUT A LONG-RANGE SOLUTION.

THERE ARE SEVERAL OTHER DANGERS INHERENT IN THIS KIND OF PLANNING. FOR EXAMPLE, WHEN A FAIRLY SUBSTANTIAL RESERVE IS AVAILABLE, THE TENDENCY IS TO UTILIZE THESE FUNDS. THIS JUST PROLONGS THE TAXQUAKE AFTERSHOCK SINCE THE RESERVE MONIES ARE USED TO APPROXIMATE "BUSINESS AS USUAL" DURING THAT INITIAL TRAUMATIC PERIOD.

THUS, IF THE DECISION-MAKERS HAVEN'T HAD THE GUTS TO BEGIN MAKING DRAMATIC SLASHES IN SPENDING, THE CUTBACKS AREN'T ALLOWED TO BE GRADUALLY IMPLEMENTED AND THE CRUNCH IS FELT EVEN MORE INTENSELY DURING THE SECOND YEAR OF TRANSITION.

ANOTHER UNFORTUNATE LESSON TO BE LEARNED FROM THE CALIFORNIA "TAXPAYER REVOLT" IS THAT THE GOOD MANAGER IS PENALIZED FOR EFFICIENCY. OUR STATE'S EMERGENCY "BAIL-OUT" LEGISLATION REQUIRED DISTRICTS TO USE UP THE MAJOR PORTION OF THEIR

AVAILABLE RESERVES IF THEY WANTED TO RECEIVE LOCAL OR STATE FUNDS. WHILE THE POOR MANAGER WAS HELPED OUT BY THE STATE, THE EFFECTIVE ONE WAS FORCED TO UTILIZE ACCUMULATED RESERVES. UNDER THIS SYSTEM WELL-MANAGED DISTRICTS ARE REALLY SUBSIDIZING POORLY-MANAGED ONES.

AND I MUST COMMENT ON ANOTHER SIDE EFFECT OF REDUCED LOCAL TAX REVENUE. AS OUR LOCAL PROPERTY TAX REVENUE DECREASED, SO DID OUR ABILITY TO OBTAIN FEDERAL FUNDS FOR OUR PROGRAMS, SINCE WE WERE UNABLE TO COME UP WITH THE NECESSARY MATCHING FUNDS. THE LOS ANGELES COMMUNITY COLLEGE DISTRICT LOST 3 MILLION DOLLARS THIS FISCAL YEAR BECAUSE OF OUR INABILITY TO COME UP WITH MATCHING FUNDS.

AND IT HAS ALSO BEEN OUR EXPERIENCE THAT QUITE A LARGE PERCENTAGE OF THE GRANT MONEY PROVIDED BY THE FEDERAL GOVERNMENT GOES TOWARD OVERHEAD AND COMPLIANCE PROCEDURES. I BELIEVE THAT THE DISTRIBUTION OF THESE KINDS OF FUNDS--AS WELL AS FINANCIAL AID MONEY--WILL INCREASINGLY BECOME HEDGED WITH ALL KINDS OF RESTRICTIONS, AS INSTITUTIONS ARE MADE ACCOUNTABLE FOR DETERMINING PROGRAM ELIGIBILITY AND FOR COLLECTING PAYMENTS.

OTHER OBSERVATIONS

AND I WOULD LIKE TO MAKE SOME OTHER OBSERVATIONS ABOUT THE DAY-TO-DAY OPERATION OF OUR DISTRICT THAT HAVE CHANGED UNDER THE BUDGET CONSIDERATIONS IMPOSED BY PROPOSITION 13.

WE'RE MOVING MORE AND MORE TOWARD CENTRALIZATION OF MANY OF OUR PROGRAMS AND SERVICES, SINCE--WITH ONLY ONE POT OF RESOURCES--THERE JUST ISN'T ENOUGH TO GIVE COMPLETE AUTONOMY TO OUR NINE COLLEGES.

IN ADDITION, WE'RE LOOKING AT STANDARDIZING SOME FUNCTIONS TO SAVE ON OVERHEAD. BUT THERE IS A NATURAL RESISTANCE AMONG FACULTY, STAFF, AND ADMINISTRATION WHENEVER THE TERM "CENTRALIZATION" IS HEARD. WE'RE JUST TRYING TO DEMONSTRATE THAT--IF IT RESULTS IN SAVING MONEY THAT CAN BE FUNNELED BACK INTO OUR EDUCATIONAL PROGRAMS--THEN SUCH CENTRALIZATION HAS SOME MERIT.

WE HAVE ALSO FOUND THAT OUR MULTI-CAMPUS STRUCTURE HAS GIVEN US VALUABLE FLEXIBILITY IN DEPLOYING PEOPLE AND EQUIPMENT WHERE MOST NEEDED. WE MADE A NUMBER OF REASSIGNMENTS AS PART OF OUR BUDGET-CUTTING REDUCTION IN THE NUMBER OF DEAN POSITIONS, AND THESE REASSIGNMENTS WERE ACCOMPLISHED WITH WHAT WE HOPE WAS THE MINIMUM AMOUNT OF DISRUPTION AND THE MAXIMUM AMOUNT OF EFFICIENCY.

IN ADDITION, WE'RE LOOKING AT INCREASED DISTRICT INVOLVEMENT IN CURRICULUM PLANNING, SINCE IT'S BECOMING MORE AND MORE APPARENT THAT WE WILL NOT BE ABLE TO OFFER ALL CLASSES ON ALL

CAMPUSES. I PREDICT THAT WE WILL BE DOING MORE PLANNING OF A REGIONAL NATURE, AND THAT THE STATE WILL BE EXERCISING MORE INFLUENCE ON PROGRAMS.

ALSO, IT'S OBVIOUS THAT STUDIES OF PROGRAM VITALITY WILL BECOME INCREASINGLY IMPORTANT. WE WILL BE SPENDING MORE TIME AND ENERGY ON EVALUATING OUR PROGRAMS FROM DEVELOPMENT TO DEMISE, ANALYZING COST VERSUS BENEFITS. ALSO, A CRUCIAL PART OF THIS EVALUATION PROCESS WILL BE AN IN-DEPTH LOOK AT STUDENT RETENTION AND RECOMMENDATIONS FOR WAYS IN WHICH IT CAN BE IMPROVED.

WE ARE WORKING, TOO, TO IMPROVE COMMUNICATION BETWEEN OUR PROGRAM EVALUATION AND BUDGETING STAFFS, WITH PERIODIC JOINT MEETINGS TO ENSURE THAT WE'RE ALL WORKING IN THE SAME DIRECTION.

A VITAL PART OF THIS PROCESS IS CAREFUL ATTENTION TO OUR MISSION, SINCE WE KNOW THAT FUNCTIONS OTHER THAN THOSE THAT RELATE DIRECTLY TO THAT MISSION WILL BE PERCEIVED WITH GREAT NEGATIVITY--BY THE COMMUNITY AND BY OUR OWN PERSONNEL. AS I MENTIONED IN MY REMARKS LAST EVENING, I SEE COMMUNITY COLLEGES MOVING MORE AND MORE TO A NARROWED MISSION OF TEACHING AND SERVICE--SERVICE TO THE COMMUNITY, TO INDUSTRY, TO BUSINESS.

AND, ONCE THAT MISSION HAS BEEN REDEFINED, A VIABLE SOLUTION TO REDUCED RESOURCES IS TO BEGIN ELIMINATING ALL THINGS THAT DON'T DIRECTLY PERTAIN TO IT. WE WILL HAVE TO STRUCTURE OUR EDUCATIONAL PROGRAMS TO MEET THE NEEDS OF OUR COMMUNITY-- AND WHILE WE WON'T BE ABLE TO PROVIDE EVERYTHING OUR STUDENTS MIGHT <u>WANT</u>, WE WILL CERTAINLY DO OUR BEST TO GIVE THEM EVERYTHING THEY NEED.

OTHER PRIORITY CONSIDERATIONS

THERE ARE OTHER PRIORITY CONSIDERATIONS THAT HAVE PLAYED A PART IN OUR PLANNING EFFORTS. TAKE PERSONNEL MATTERS, FOR EXAMPLE. AS WE ATTEMPT TO REDUCE STAFF THROUGH ATTRITION AND OTHER VOLUNTARY MEANS, THIS WILL ALSO MEAN THAT WE'LL BE LOOKING FOR MORE PROMOTIONS FROM WITHIN OUR INSTITUTIONS.

AND UNDOUBTEDLY THE PERSONNEL MATTER OF GREATEST SIGNIFICANCE IS THE QUESTION OF WHETHER OR NOT TO ISSUE MARCH 15TH LETTERS NEXT SPRING. PRIOR TO THE ELECTION, OUR BOARD OF TRUSTEES VOTED FOUR TO THREE NOT TO ISSUE MARCH 15TH LETTERS FOR THIS YEAR. AS IT TURNED OUT--WITH THE MONEY WE RECEIVED FROM THE STATE SURPLUS--IT WAS FORTUNATE THAT THE BOARD MADE THAT CHOICE.

BUT WHAT ABOUT NEXT YEAR? WILL WE BE ABLE TO COUNT ON FUTURE "BAIL-OUTS" FROM THE STATE? WILL WE NEED THE FLEXIBILITY THAT SENDING THOSE LETTERS MIGHT PROVIDE? THOSE ARE QUESTIONS THAT WILL REQUIRE A GREAT DEAL OF THOUGHT AND DISCUSSION AS THE TIME NEARS FOR US TO MAKE THE DECISIONS.

NO DISCUSSION OF THE BUDGET AND THE PRIORITY-SETTING PROCESS WOULD BE COMPLETE WITHOUT AN ANALYSIS OF ANOTHER OF THE MOST SIGNIFICANT PROBLEMS WE WILL BE FACING IN THE YEAR AND YEARS AHEAD--THE POSSIBLE IMPLEMENTATION OF TUITION

IN CALIFORNIA'S COMMUNITY COLLEGES, WHICH HAVE BEEN THE LAST STRONGHOLD OF TUITION-FREE HIGHER EDUCATION IN THIS COUNTRY.

UNDER THE CALIFORNIA CONSTITUTION, TUITION MAY NOT BE INSTITUTED WITHOUT APPROVAL FROM THE STATE LEGISLATURE. AS I INDICATED LAST NIGHT, IT SEEMS CLEAR THAT THE MOOD IN CALIFORNIA IS LEANING MORE AND MORE STRONGLY TOWARD A TUITION SYSTEM.

IF IT IS IMPLEMENTED, WE PREDICT THAT--BASED UPON THE EXPERIENCES OF OTHER COLLEGE DISTRICTS THAT HAVE GONE TO A TUITION SYSTEM--WE CAN EXPECT TO SEE A DECREASE OF UP TO 40 PERCENT IN OUR ENROLLMENT. THIS, IN TURN, WILL BE REFLECTED IN DECREASED FUNDING AS WE SEE A DRAMATIC DROP IN OUR AVERAGE DAILY ATTENDANCE ALLOTMENT FROM THE STATE.

WE WILL CONTINUE TO WORK TO MAINTAIN THE OPEN DOOR POLICY THAT HAS PLAYED SUCH AN IMPORTANT PART IN THE GROWTH AND DEVELOPMENT OF CALIFORNIA'S 104 COMMUNITY COLLEGES, BECAUSE WE BELIEVE THAT WE WILL BE ELIMINATING THOSE STUDENTS WHO NEED US MOST IF WE ARE FORCED TO CHARGE TUITION. IN RESPONSE TO THIS POSSIBILITY, WE ARE WORKING TO MAKE CERTAIN OUR STUDENTS ARE AWARE OF THE AID POSSIBILITIES AVAILABLE TO THEM.

BUT WE MUST FACE REALITY--AND THEREFORE OUR PLANNING PROCEDURES HAVE ALSO TAKEN INTO ACCOUNT THE RAMIFICATIONS SHOULD TUITION BECOME AN ACTUALITY.

WE IN THE LOS ANGELES COMMUNITY COLLEGE DISTRICT ARE CONTINUING TO WORK WITH OUR SISTER DISTRICTS THROUGHOUT THE STATE TO EXAMINE THE TUITION QUESTION AND TO FORMULATE APPROPRIATE RESPONSES TO ITS POSSIBLE OUTCOMES.

I AM REMINDED OF A SAYING BY ABRAHAM MASLOW, WHO NOTED THAT IF THE ONLY TOOL YOU HAVE IS A HAMMER, YOU TEND TO SEE EVERY PROBLEM AS A NAIL. THAT IS THE DANGER INHERENT IN OUR SITUATION--THAT WE COULD BECOME SO PREOCCUPIED WITH THE SIDE- AND AFTER-EFFECTS OF PROPOSITION 13 THAT WE LOSE SIGHT OF OUR FUNDAMENTAL GOAL, WHICH IS TO OFFER THE BEST EDUCATION WE POSSIBLY CAN TO OUR STUDENTS.

DAG HAMMARSKJOLD ONCE SAID THAT--IF ONE DOES NOT KNOW THE QUESTION, IT IS EASY TO GIVE THE ANSWER. FOR CALIFORNIA'S COMMUNITY COLLEGES, THE OPPOSITE HOLDS TRUE. WE KNOW QUITE WELL THE QUESTION--WHICH IS, "HOW DO WE MAINTAIN OUR PRIORITY OF EDUCATIONAL QUALITY AND ACCESSIBILITY IN A PERIOD OF SEVERELY REDUCED RESOURCES?" THE ANSWERS? THEY WON'T BE QUITE AS EASY. BUT WITH A GREAT DEAL OF WORK, COOPERATIVE EFFORT, AND EFFECTIVE COMMUNICATION, I FEEL CERTAIN THAT WE WILL ARRIVE AT THE APPROPRIATE ANSWERS.